

ORDINANCE NO. 2021-08-960

AN ORDINANCE AMENDING ORDINANCE NO. 131 IN ORDER TO AUTHORIZE THE NET COLLECTIONS OF THE 1% SALES AND USE TAX LEVIED WITHIN THE CITY OF TONTITOWN, ARKANSAS TO BE USED FOR ONE OR MORE OF THE FOLLOWING: (A) TO PAY AND SECURE THE REPAYMENT OF BONDS APPROVED BY THE VOTERS AND ISSUED BY THE CITY FROM TIME TO TIME TO FINANCE AND REFINANCE CAPITAL IMPROVEMENTS AND (B) TO IMPROVE MUNICIPAL WATER AND SEWER SERVICES; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

WHEREAS, pursuant to Ordinance No. 131, adopted August 24, 1999 ("Ordinance No. 131"), and an election held November 2, 1999, the City of Tontitown, Arkansas (the "City") has levied a City-wide 1% sales and use tax (the "Tax"); and

WHEREAS, the City Council amended Ordinance No. 131 pursuant to Ordinance No. 191, adopted November 3, 2004 ("Ordinance No. 191"); and

WHEREAS, at an election held December 14, 2004, the voters of the City approved Ordinance No. 191; and

WHEREAS, pursuant to Ordinance No. 131, as amended by Ordinance No. 191, 75% of the net collections of the Tax are currently used first, as needed, to repay bonds issued by the City from time to time and approved by the voters to finance sewer improvements with the balance used to improve municipal water and sewer services and the remaining 25% of the net collections of the Tax are currently used to improve municipal water and sewer services; and

WHEREAS, the City Council has determined that it would be in the best interest of the City to issue bonds (the "Bonds") to finance and refinance capital improvements, and to secure the Bonds with a pledge of the net collections of the Tax; and

WHEREAS, it is necessary to amend Ordinance No. 131 to authorize the net collections of the Tax to be used for one or more of the following: (a) to pay and secure the repayment of bonds approved by the voters and issued by the City from time to time to finance and refinance capital improvements and (b) to improve municipal water and sewer services, in order for the Bonds to be secured by all net collections of the Tax;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Tontitown, Arkansas:

Section 1. Section 1 of Ordinance No. 131, as amended, is hereby further amended to read as follows:

"**Section 1.** Under the authority of the Authorizing Legislation, there is hereby levied a one percent (1%) tax on the gross receipts from the sale at retail within the City of all items which are subject to the Arkansas Gross Receipts Act of 1941, as amended (A.C.A. §§26-52-101, et. seq.), and the imposition of an excise (or use) tax on the storage, use, distribution or other consumption within the City of tangible personal property subject to the Arkansas Compensating Tax Act of 1949, as amended (A.C.A. §§26-53-101, et. seq.), at a rate of one percent (1%) of the sale price of the property or, in the case of leases or rentals, of the lease or rental price (collectively, the "Sales and Use Tax"). The collections of the Sales and Use Tax that are received after deduction of the administrative charges of the State of Arkansas and required rebates shall be used for one or more of the following: (a) to pay and secure the repayment of bonds approved by the voters and issued by the City from time to time to finance and refinance capital improvements and (b) to improve municipal water and sewer services. The Sales and Use Tax shall be levied and collected on the gross receipts, gross proceeds or sales price in the maximum amount allowed from time to time by Arkansas law, subject to rebates and limitations as from time to time required by Arkansas statutes for certain single transactions."

Section 2. The provisions of this Ordinance are hereby declared to be separable, and if any provision shall for any reason be held illegal or invalid, it shall not affect the validity of the remainder of this Ordinance.

Section 3. Ordinance No. 131, as amended hereby, shall remain and be in full force and effect.

PASSED: August 2, 2021

ATTEST:

Rhonda Ardemagni, City Clerk-Treasurer

(SEAL)

APPROVED:

Paul Colvin, Jr., Mayor

CERTIFICATE

The undersigned, City Clerk-Treasurer of Tontitown, Arkansas, hereby certifies that the foregoing pages are a true and perfect copy of Ordinance No. 2021-08-960, passed at a regular session of the City Council of Tontitown, Arkansas, held at the regular meeting place of the City Council at 6:00 o'clock p.m., on the 2nd day of August, 2021, and that the Ordinance is of record in Ordinance Record Book No. _____, Page _____, now in my possession.

GIVEN under my hand and seal this 2nd day of August, 2021.

Rhonda Ardemagni, City Clerk-Treasurer

(SEAL)

RESOLUTION NO. 2021-08-961R

WHEREAS, the City Council of the City of Tontitown, Arkansas (the "City") has adopted Ordinance No. 2021-08-960 (the "Amending Ordinance") on August 2, 2021; and

WHEREAS, the City Council desires to refer the Amending Ordinance to the voters for approval or rejection;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Tontitown, Arkansas:

Section 1. There is hereby called a special election to be held on October 12, 2021, at which election there shall be submitted to the electors of the City the question of whether the Amending Ordinance shall be approved or rejected.

Section 2. The question of approving or rejecting the Amending Ordinance shall be placed on the ballot in substantially the following form:

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FOR Ordinance No. 2021-08-960..... ☐

AGAINST Ordinance No. 2021-08-960..... ☐

Section 3. The election shall be held and conducted and the vote canvassed and the results declared under the law and in the manner now provided for municipal elections and only qualified voters of the City shall have the right to vote at the election.

Section 4. The results of the election shall be proclaimed by the Mayor and the Proclamation shall be published one time in a newspaper having a general circulation in the City, which Proclamation shall advise that the results as proclaimed shall be conclusive unless attacked in the courts within thirty days after the date of publication.

Section 5. A copy of this Resolution shall be (a) filed with the Washington County Clerk at least 60 days prior to the election date and (b) given to the Washington County Board of Election Commissioners so that the necessary election officials and supplies may be provided.

Section 6. The Mayor and City Clerk-Treasurer, for and on behalf of the City, are hereby authorized and directed to do any and all things necessary to call and hold the special election as herein provided.

PASSED: August 2, 2021.

APPROVED:

ATTEST:

Rhonda Ardemagni, City Clerk-Treasurer

Paul Colvin Jr., Mayor

(SEAL)

CERTIFICATE

The undersigned, City Clerk-Treasurer of Tontitown, Arkansas, hereby certifies that the foregoing pages are a true and perfect copy of Resolution No. 2021-08-961R, passed at a regular session of the City Council of Tontitown, Arkansas, held at the regular meeting place of the City Council at 6:00 o'clock p.m., on the 2nd day of August, 2021.

GIVEN under my hand and seal this 2nd day of August, 2021.

Rhonda Ardemagni, City Clerk-Treasurer

(SEAL)